

FISCAL IMPACT STATEMENT ON BILL NO. **S836**

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TO: The Honorable Daniel T. "Dan" Cooper, Chairperson, House Ways and Means Committee
FROM: Office of State Budget, Budget and Control Board
ANALYSTS: Allan Kincaid, Beth Campbell, R.J. Stein
DATE: March 21, 2006 SBD: 2006128

AUTHOR: Senator Moore PRIMARY CODE CITE: Joint Resolution 210 of 1987
SUBJECT: Clark's - Hill Russell Authority

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

See Below

BILL SUMMARY:

The proposed Bill amends Joint Resolution 210 of 1987, relating to the purchase of notes of the Clark's-Hill Russell Authority (re-named Savannah Valley Authority) by the Division of General Services of the State Budget and Control Board and the interest rate on these notes, so as to provide that the interest rate must be determined periodically by the State Treasurer, rather than set at a rate of eight percent per year.

EXPLANATION OF IMPACT:

State Budget and Control board – Insurance Reserve Fund

As of January 31, 2006, the amount of the note due the Insurance Reserve Fund from the Clark's – Hill Russell Authority was \$13,565,057. Based on calculations from the State Treasurer's Office, if the interest rate were reduced to 5% for the remaining life of the loan and assuming loan repayments approximate the average repayments over the past three years, the Insurance Reserve Fund would earn \$4.3 million less in interest. The 5% interest rate represents the earnings rate for deposits to the General Fund of the State.

State Treasurer's Office

The Office reports this Bill will have no impact on the General Fund of the State or on Federal and/or Other Funds.

Department of Commerce

Though the Savannah Valley Authority is administratively housed within the Department of Commerce, there is no fiscal impact on the Department of Commerce.

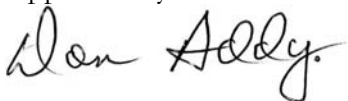
LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Don Addy
Assistant Director, Office of State Budget